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COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20541

RELEASED

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Dear Mr. de la Garza:

This is the first of two reports in response to your request of December 2, 1971, and later agreements reached with you. This report deals with our examination of selected financial transactions of the Cameron County Community Projects, Inc. (Agency), Brownsville, Texas, for the 1-year period April 1, 1968, through March 31, 1969. During this period the Agency was granted \$793,000 and \$520,300 by the Office of Economic Opportunity (OEO) and the Department of Labor, respectively.

Our test of the records revealed that, during the 1-year period, the review and approval procedures for financial transactions were inadequate.

We examined all expenditures during May 1968, totaling about \$32,000, for programs funded by OEO. In addition, we examined all available documents for travel expenditures paid from OEO and Labor funds for the 1-year period.

About \$25,100, or 81 percent, of the \$31,000 in the May 1968 expenditures for items other than travel was supported and recorded in the records. We found that the remaining \$5,900 of such expenditures were questionable for the following reasons.

- Receiving reports did not contain evidence of receipt of goods or services.
- Time and attendance records were not complete and/or were not approved.
- Pay adjustments were not noted to show authority for and computation of the adjustments.
- Expenditures were not supported by any documentation.

We examined 367 OEO travel vouchers totaling about \$13,200 and 132 Labor travel vouchers totaling about \$6,000. Financial or procedural deficiencies were identified with about \$4,900, or about 26 percent, of these expenditures, as follows:

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- Vouchers included mileage claims and common-carrier charges that were not supported.
- Vouchers were either not approved or not checked for accuracy.
- Vouchers did not show the purpose or destination of the travel.
- Travel advances were charged to expense accounts without supporting travel vouchers.

We also noted three claims for local travel amounting to \$21, which appeared questionable in that a former employee had performed other travel on the same day to different locations. These claims, however, were not sufficiently detailed to determine the propriety of the payments.

We could not resolve certain questions on these expenditures, amounting to about \$10,800, because the current administrative and accounting employees were not employed by the Agency during the period covered by our examination and were not familiar with the details of the transactions in question.

Our second report dealing with our monitoring and evaluation of OEO's financial audit of the Agency for the period April 1 to December 31, 1971, will be forwarded after the OEO audit for that period is completed.

Officials of OEO, Labor, and the Agency and its former employees have not been given an opportunity to formally examine and comment on this report.

We do not plan to make further distribution of this report unless copies are specifically requested, and then only after your approval has been obtained or public announcement has been made by you concerning its contents.

Sincerely yours,



Comptroller General
of the United States

The Honorable Eligio de la Garza
House of Representatives